

## SUMMARY OF BUSINESS OPPORTUNITY

The following summarizes the key elements of the National Park Service ("Service") Draft Concession Contract CC-YOSE004-16 ("Draft Contract"), which authorizes the operation of overnight accommodations, food and beverage, retail, auto fuel, recreation activities, and related services within Yosemite National Park and the El Portal Administrative Site.

The Service has been given specific legislative authority in Public Law 105-391 (the "1998 Act") to issue concession contracts, and the Draft Contract will be subject to that law. In the event of any inconsistency between the terms of the Draft Contract and this summary, the Draft Contract will control.

### Overview of Concession Services to be Required and Authorized

A summary of Required and Authorized services under the Draft Contract is provided below in Exhibit S-1. The Concessioner under the Draft Contract must provide the Required Services and may, at its option, provide the Authorized Services.

**Exhibit S-1. Required Services in the Draft Contract**

Required Service	Location
Overnight Accommodations	The Ahwahnee Hotel, Curry Village, High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, and Vogelsang), Housekeeping Camp, Tuolumne Meadows, Wawona, White Wolf, and Yosemite Lodge
Food and Beverage	The Ahwahnee Hotel, Badger Pass, Curry Village, Glacier Point, High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, and Vogelsang), Tuolumne Meadows, Wawona, White Wolf, Yosemite Lodge, and Yosemite Village
Retail	The Ahwahnee Hotel, Badger Pass, Crane Flat Store, Curry Village, Glacier Point, High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, and Vogelsang), Housekeeping Camp, Tuolumne Meadows, Wawona Hotel, White Wolf Lodge, Yosemite Lodge, and Yosemite Village
Visitor Transportation Services (VTS)	Yosemite Valley
Automotive Services and Fuel Sales	Crane Flat, El Portal Administrative Site, Wawona, and Yosemite Valley (emergency fuel sales and services only)
Motorized Interpretive Tours	Tours throughout the Area
Interpretive Services	Various locations throughout the Area
Mountaineering School and Guide Services	Badger Pass, Curry Village, and Tuolumne Meadows
Equipment Rentals	Badger Pass, Crane Flat, Curry Village, and Wawona
Public Showers	Curry Village and Housekeeping Camp
Laundry	Housekeeping Camp
Ski and Snow Related Services	Badger Pass
Golfing	Wawona
Tennis Courts	Wawona
Horse and Mule Operations	Tuolumne Meadows, Wawona, Yosemite Valley

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**Exhibit S-1. Required Services in the Draft Contract (continued)**

<b>Required Service</b>	<b>Location</b>
Swimming Pools	The Ahwahnee Hotel, Curry Village, Wawona Hotel, and Yosemite Lodge
Automated Teller Machines (ATM)	The Ahwahnee Hotel, Badger Pass Day Lodge, Crane Flat Store, Curry Village, Tuolumne Meadows, Wawona Hotel, Yosemite Lodge, and Yosemite Village
Vending	Various locations throughout the Area

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**Exhibit S-2. Authorized Services in the Draft Contract**

<b>Authorized Service</b>	<b>Location</b>
Overnight Accommodation	Glacier Point
Retail	On-line
Visitor Transportation Services (VTS)	
- Badger Pass Shuttle	Tuolumne Meadows and Yosemite Valley to Badger Pass
- Tuolumne Meadows Shuttle	
Raft Rentals	Curry Village
Bicycle Rentals	Curry Village and Yosemite Lodge
Ice Rink	Curry Village
Ski and Snow Related Services	Crane Flat, Curry Village, and Wawona
Public Showers	Tuolumne Meadows Lodge, Wawona Hotel, White Wolf Lodge
Hair Care	Yosemite Village
Child Care	Badger Pass
Kennel Services	Yosemite Valley
Massage Services	The Ahwahnee Hotel
Internet	Various locations throughout the Area
Luggage Storage	Various locations throughout the Area
Special Events	Various locations throughout the Area

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## Concession Facilities

Exhibit D to the Draft Contract (presented in Part IV of this Prospectus) lists the assigned structures and provides maps showing assigned land and real property improvements ("Concession Facilities"). The Concessioner is responsible for maintenance, repairs, housekeeping, and grounds-keeping of the Concession Facilities, as provided in the Draft Contract.



## Historic Gross Receipts

**Exhibit S-3. Historic Gross Receipts by Department**

Department	2011	2012	2013	Average Share of Gross
Overnight Accommodations	\$50,004,147	\$50,947,845	\$48,816,615	38%
Food and Beverage	\$27,944,976	\$26,571,003	\$25,673,043	20%
Bar	\$4,881,080	\$4,614,712	\$4,462,243	4%
Retail/General Merchandise	\$29,680,402	\$29,444,982	\$29,491,028	22%
Fuel Sales and Auto Service	\$5,872,001	\$6,939,708	\$7,050,511	5%
Transportation	\$4,108,182	\$4,135,924	\$4,010,787	3%
Guided Services	\$1,132,966	\$1,110,119	\$1,264,521	1%
Other (Horses, Ski, Vending, Rentals)	\$3,858,683	\$3,843,247	\$3,837,872	3%
<b>Total Gross Receipts</b>	<b>\$132,199,960</b>	<b>\$132,675,160</b>	<b>\$129,659,208</b>	<b>100%</b>
<b>Authorized Deductions</b>	<b>\$10,175,905</b>	<b>\$12,151,763</b>	<b>\$8,738,277</b>	<b>8%</b>
<b>Fees Paid to the Government</b>	<b>\$12,502,458</b>	<b>\$12,464,194</b>	<b>\$12,043,250</b>	<b>9%</b>

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\*Fees paid to the Government include a Franchise Fee and a Capital Improvement Account as described in the Existing Contract included as Appendix A to this Prospectus.

## Estimate of Initial Investment

The following exhibit summarizes the estimated initial investment to be made by the Concessioner in 2016 dollars, which is projected to be \$32,000,000 and the purchase of the Existing Concessioner's personal property, inventory, supplies, start-up costs (staff hiring, training, etc.) and working capital (investment needed to cover expenses incurred in advance of offsetting revenues).

**Exhibit S-4. Estimated Initial Investment**

Item	Estimated Amount (2016 Dollars)
Possessory Interest from Concessioner per CC-YOSE004-93	\$0
Personal Property	\$22,500,000
Inventory	\$6,500,000
Start-up Costs	\$3,000,000
<b>TOTAL</b>	<b>\$32,000,000</b>

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In addition to this estimated initial investment, the Service will require the Concessioner to expend a total of approximately \$3.0 million on deferred maintenance over the first four years of the Draft Contract term.



## Repair and Maintenance Reserve

The Draft Contract requires the Concessioner to establish a Repair and Maintenance Reserve to use for non-recurring repair and maintenance projects. The terms and conditions of the Repair and Maintenance Reserve are set out in the Draft Contract in Section 10(c). The Repair and Maintenance Reserve for the Draft Contract will represent three and one half percent (3.5%) of gross receipts in the first year of the Draft Contract, two percent (2.0%) of gross receipts in years two through fourteen, and zero percent (0.0%) in the final year of the Draft Contract.

## Franchise Fee

The minimum franchise fee will be equal to eight and six tenths of a percent (8.6%) of the Concessioner's annual gross receipts.

If the Service constructs 52 hard-sided cabins at Curry Village and assigns them to the Concessioner before the end of the seventh (7) year of the Draft Contract, then beginning with the first full month after the date the cabins are assigned as Concession Facilities, the franchise fee for the remaining Draft Contract term shall increase by adding six-tenths of one percent (0.6%) of the Concessioner's gross receipts to the then current franchise fee.

## Contract Term

The Draft Contract will be for a term of fifteen (15) years beginning on its effective date, estimated to be March 1, 2016. The effective date of the Draft Contract is subject to change prior to contract award if determined necessary by the Service. If the effective date is modified, the expiration date of the Draft Contract will be changed to maintain a term length of 15 years from the effective date of the Draft Contract.

## Site Visit

A three-day site visit of the concession operation along with a tour of Concession Facilities associated with the Draft Contract will occur on the date listed on the inside front cover of this Prospectus.

